

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE MUNICIPAL DERIVATIVES
ANTITRUST LITIGATION

THIS DOCUMENT RELATES TO:

*The Redevelopment Agency of the City of
Stockton, the Public Financing Authority of
the City of Stockton v. Bank of America, N.A.,
et al.*, No. 10-0630

MDL No. 1950

Master Docket No. 08-02516 (VM)
(GWG)

**UBS AG'S, UBS FINANCIAL
SERVICES, INC.'S AND UBS
SECURITIES LLC'S ANSWER TO
THE REDEVELOPMENT AGENCY
OF THE CITY OF STOCKTON AND
THE PUBLIC FINANCING
AUTHORITY OF THE CITY OF
STOCKTON'S FIRST AMENDED
COMPLAINT**

Defendant, UBS AG, UBS Financial Services, Inc. and UBS Securities, LLC
(collectively "UBS"),¹ through their undersigned counsel, hereby answer and assert the
following affirmative defenses to the First Amended Complaint ("Complaint") filed by plaintiffs
the Redevelopment Agency of the City of Stockton, the Public Financing Authority of the City
of Stockton ("Plaintiffs"):

SPECIFIC RESPONSES

1. The purported statement of Mr. Buffet speaks for itself and UBS denies
any characterization of it. UBS denies the remainder of the allegations in ¶ 1 to the extent they
are intended to reference actions taken by UBS. UBS lacks sufficient information or knowledge

¹ For ease of reference only, UBS uses the term "UBS" in this Answer to refer to UBS AG, UBS
Financial Services, Inc. UBS Securities, LLC or one or more subsidiaries or related entities.
UBS denies that these entities are identical for purposes of this litigation.

to form a belief as to the truth of the allegations in ¶ 1 pertaining to other entities, and UBS therefore denies them.

2. UBS admits that Department of Justice (“DOJ”) and FBI officials have made announcements concerning an investigation, including announcements that an indictment was returned against CDR and three former employees of CDR on or about October 29, 2009. UBS denies any characterization of the announcements as they speak for themselves. UBS denies all remaining allegations in ¶ 2.

3. UBS admits that the Complaint purports to arise out of the allegations contained in ¶ 3. To the extent the allegations are intended to reference actions taken by or on behalf of UBS, UBS denies the allegations in ¶ 3. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 3 pertaining to other entities, and UBS therefore denies them.

4. UBS admits that public entities may use certain Municipal Derivatives in a variety of different circumstances and for a range of different purposes. UBS denies the term “Municipal Derivatives” is an umbrella term that is used in the industry to describe the different types of financial instruments and transactions identified in this paragraph. Solely for ease of reference, in this Answer UBS will use the term “Municipal Derivatives” as defined in the Complaint; no agreement or waiver by such use is intended. The remainder of the allegations in ¶ 4 are overly generalized and simplistic, and UBS therefore denies them.

5. UBS denies the allegations in ¶ 5 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 5 pertaining to other entities, and UBS therefore denies them.

6. UBS admits that there are investigations by the DOJ, the Securities and Exchange Commission (“SEC”), the IRS and certain state attorneys general relating to certain Municipal Derivatives products, and that UBS has received document subpoenas from the DOJ, the SEC, and state attorneys general relating to these investigations. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 6, and UBS therefore denies them.

7. The purported statements of Mr. Anderson referenced in ¶ 7 speak for themselves, and UBS denies any characterization of them. To the extent that any further response is required, UBS denies the allegations in ¶ 7 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 7 pertaining to other entities, and UBS therefore denies them.

8. UBS denies the allegations in ¶ 8 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 8 pertaining to other entities, and UBS therefore denies them.

9. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself and UBS, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the purported statement referenced in ¶ 9, and UBS therefore denies them. UBS denies all remaining allegations in ¶ 9.

10. UBS admits that it has received a Wells notice from the SEC. The Wells notice speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 10, and UBS therefore denies them.

11. UBS admits that DOJ is conducting an investigation relating to certain types of Municipal Derivatives products and that the DOJ has requested a partial stay of discovery in these proceedings. The stay request speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 11, and UBS therefore denies them.

12. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 12, and UBS therefore denies them.

13. UBS states that the purported statement of Mr. Blumenthal speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 13 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 13, and UBS therefore denies them.

14. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 14, and UBS therefore denies them.

15. UBS admits that an indictment has been returned against CDR and three former employees of CDR on or about October 29, 2009, but denies any characterization of the document as the indictment speaks for itself. The purported statements by DOJ officials speak for themselves and UBS denies any characterization of them. UBS denies all remaining allegations in ¶ 15.

16. The indictment referenced in ¶ 16 speaks for itself, and UBS any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 16 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 16 pertaining to other entities, and UBS therefore denies them.

17. The indictment referenced in ¶ 17 speaks for itself, and UBS any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 17 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 17 pertaining to other entities, and UBS therefore denies them.

18. The purported quotes from the *Bond Buyer* article referenced in ¶ 18 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 18, and UBS therefore denies them.

19. UBS denies the allegations in ¶ 19 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 19 pertaining to other entities, and UBS therefore denies them.

20. UBS admits that the DOJ has requested a partial stay of discovery in these proceedings. The stay request speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 20, and UBS therefore denies them.

21. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 21, and UBS therefore denies them.

22. UBS denies the allegations in ¶ 22 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 22 pertaining to other entities, and UBS therefore denies them.

23. UBS denies the allegations in ¶ 23 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 23 pertaining to other entities, and UBS therefore denies them.

24. UBS denies the allegations in ¶ 24 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 24 pertaining to other entities, and UBS therefore denies them.

25. UBS denies the allegations in ¶ 25 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 25 pertaining to other entities, and UBS therefore denies them.

26. Paragraph 26 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

27. Paragraph 27 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

28. Paragraph 28 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

29. Paragraph 29 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

30. Paragraph 30 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

31. Paragraph 31 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

32. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 32, and UBS therefore denies them.

33. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 33, and UBS therefore denies them.

34. Paragraph 34 contains no factual allegations to which a response is required, and on that basis is denied.

35. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first three sentences of ¶ 35, and UBS therefore denies them. UBS denies the allegations in the fourth or fifth sentences of ¶ 35 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the fourth and fifth sentences of ¶ 35 pertaining to Plaintiffs and other entities, and UBS therefore denies them.

36. UBS admits that the term “provider” is sometimes used to refer to entities that are counterparties to issuers in certain types of Municipal Derivatives transactions. UBS admits that it has acted as a counterparty to public entities on certain Municipal Derivatives

transactions during certain periods of time. UBS denies the remainder of the allegations in ¶ 36 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 36, and UBS therefore denies them.

37. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 37, and UBS therefore denies them.

38. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 38, and UBS therefore denies them.

39. UBS admits that (i) UBS AG is a banking corporation organized under the laws of Switzerland, with its headquarters located in Zurich and Basel, Switzerland; (ii) UBS Financial Services, Inc. and UBS Securities, LLC are wholly owned subsidiaries of UBS AG; and (iii) a desk within UBS sold certain Municipal Derivatives products during certain periods of time. UBS denies all remaining allegations in ¶ 39, including but not limited to allegations that UBS was a member of any conspiracy.

40. UBS admits that (i) UBS Financial Services, Inc. is a Delaware corporation with its principal place of business in New York, New York; (ii) UBS Financial Services, Inc. is a wholly owned subsidiary of UBS AG; (iii) in or about 2000, UBS AG acquired PaineWebber Inc.; and (iv) a desk within UBS sold certain Municipal Derivatives products during certain periods of time. UBS denies all remaining allegations in ¶ 40, including but not limited to allegations that UBS was a member of any conspiracy.

41. UBS admits that (i) UBS Securities, LLC is a Delaware corporation with its principal place of business in Stamford, Connecticut; (ii) UBS Securities, LLC is a wholly owned subsidiary of UBS AG; and (iii) a desk within UBS sold certain Municipal Derivatives

products during certain periods of time. UBS denies all remaining allegations in ¶ 41, including but not limited to allegations that UBS was a member of any conspiracy.

42. Paragraph 42 contains no factual allegations to which a response is required, and on that basis is denied.

43. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 43, and UBS therefore denies them.

44. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 44, and UBS therefore denies them.

45. Paragraph 45 contains no factual allegations to which a response is required, and on that basis is denied.

46. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 46, and UBS therefore denies them.

47. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 47, and UBS therefore denies them.

48. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 48, and UBS therefore denies them.

49. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 49, and UBS therefore denies them.

50. Paragraph 50 contains no factual allegations to which a response is required, and on that basis is denied.

51. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 51, and UBS therefore denies them.

52. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 52, and UBS therefore denies them.

53. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 53, and UBS therefore denies them.

54. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 54, and UBS therefore denies them.

55. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 55, and UBS therefore denies them.

56. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 56, and UBS therefore denies them.

57. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 57, and UBS therefore denies them.

58. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 58, and UBS therefore denies them.

59. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 59, and UBS therefore denies them.

60. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 60, and UBS therefore denies them.

61. Paragraph 61 contains no factual allegations to which a response is required, and on that basis is denied.

62. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 62, and UBS therefore denies them.

63. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 63, and UBS therefore denies them.

64. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 64, and UBS therefore denies them.

65. Paragraph 65 contains no factual allegations to which a response is required, and on that basis is denied.

66. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 66, and UBS therefore denies them.

67. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 67, and UBS therefore denies them.

68. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 68, and UBS therefore denies them.

69. Paragraph 69 contains no factual allegations to which a response is required, and on that basis is denied.

70. The allegations of ¶ 70 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 70, and UBS therefore denies them.

71. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 71, and UBS therefore denies them.

72. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 72, and UBS therefore denies them.

73. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 73, and UBS therefore denies them.

74. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 74, and UBS therefore denies them.

75. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 75, and UBS therefore denies them.

76. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 76, and UBS therefore denies them.

77. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 77, and UBS therefore denies them.

78. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 78, and UBS therefore denies them.

79. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 78, and UBS therefore denies them.

80. Paragraph 80 contains no factual allegations to which a response is required, and on that basis is denied.

81. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 81 pertaining to other entities, and UBS therefore denies them.

82. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a

belief as to the truth of the remaining allegations in ¶ 82 pertaining to other entities, and UBS therefore denies them.

83. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 83 pertaining to other entities, and UBS therefore denies them.

84. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 84 pertaining to other entities, and UBS therefore denies them.

85. Paragraph 85 contains no factual allegations to which a response is required, and on that basis is denied.

86. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 86 pertaining to other entities, and UBS therefore denies them.

87. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 87 pertaining to other entities, and UBS therefore denies them.

88. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a

belief as to the truth of the remaining allegations in ¶ 88 pertaining to other entities, and UBS therefore denies them.

89. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 89 pertaining to other entities, and UBS therefore denies them.

90. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 90 pertaining to other entities, and UBS therefore denies them. The last sentence of ¶ 90 contains no factual allegations to which a response is required, and on that basis also is denied.

91. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 91, and UBS therefore denies them.

92. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 92 pertaining to other entities, and UBS therefore denies them.

93. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 93 pertaining to other entities, and UBS therefore denies them.

94. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a

belief as to the truth of the remaining allegations in ¶ 94 pertaining to other entities, and UBS therefore denies them.

95. Paragraph 95 contains no factual allegations to which a response is required, and on that basis is denied.

96. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 96 pertaining to other entities, and UBS therefore denies them.

97. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 97, and UBS therefore denies them.

98. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 98, and UBS therefore denies them.

99. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 99, and UBS therefore denies them.

100. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 100 pertaining to other entities, and UBS therefore denies them.

101. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 101 pertaining to other entities, and UBS therefore denies them.

102. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 102 pertaining to other entities, and UBS therefore denies them.

103. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 103 pertaining to other entities, and UBS therefore denies them.

104. Paragraph 104 contains no factual allegations to which a response is required, and on that basis is denied.

105. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 105 pertaining to other entities, and UBS therefore denies them.

106. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 106 pertaining to other entities, and UBS therefore denies them.

107. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 107 pertaining to other entities, and UBS therefore denies them.

108. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 108 pertaining to other entities, and UBS therefore denies them.

109. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 109 pertaining to other entities, and UBS therefore denies them.

110. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 110 pertaining to other entities, and UBS therefore denies them.

111. UBS admits that states, cities, counties, and other governmental and private entities may issue bonds to raise funds for a variety of different reasons and purposes. The remainder of the allegations in ¶ 111 are overly generalized and simplistic, and UBS therefore denies them.

112. UBS admits that the term “issuer” may be used in a variety of different contexts and with regards to a variety of different types of transactions. The remainder of the allegations in ¶ 112 are overly generalized and simplistic, and UBS therefore denies them.

113. UBS admits that some of the providers of certain Municipal Derivatives products may be insurance companies and banks, but UBS denies that all Municipal Derivatives are provided by such entities or that all such entities are providers of Municipal Derivatives. The

remainder of the allegations in ¶ 113 are overly generalized and simplistic, and UBS therefore denies them.

114. UBS admits that a public or non-profit entity may engage certain types of brokers to assist it in obtaining certain types of Municipal Derivative products through the use of a competitive bidding process. The remainder of the allegations in ¶ 114 are overly generalized and simplistic, and UBS therefore denies them.

115. UBS admits that when the interest on bonds is expected to be exempt from federal taxation, some investors may accept lower interest payments on those bonds than they would if the interest on the bonds were expected to be taxed by the federal government. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 115, and UBS therefore denies them.

116. UBS admits that: (1) some municipal bonds pay interest at a fixed or variable rate, which may reference an index; (2) that bond investors in certain circumstances may purchase bonds in exchange for payment of a principal amount to the issuer of the bonds; and (3) maturity dates for some municipal bonds may span periods of years. The remainder of the allegations in ¶ 116 are overly generalized and simplistic, and UBS therefore denies them.

117. UBS admits that some bond issuers have also issued variable rate demand bonds and auction rate securities, which can have varying characteristics. The remainder of the allegations in ¶ 117 are overly generalized and simplistic, and UBS therefore denies them.

118. UBS admits that municipal bond proceeds may be placed into a range of different types of funds that serve a range and variety of potential purposes and uses. The remainder of the allegations in ¶ 118 are overly generalized and simplistic, and UBS therefore denies them.

119. UBS denies that the term “Municipal Derivatives” is a term that is used in the industry to describe the different types of financial instruments and transactions identified in this paragraph. Solely for ease of reference, in this Answer UBS will use the term “Municipal Derivatives” as defined in the Complaint; no agreement or waiver by such use is intended. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 119, and UBS therefore denies them.

120. UBS denies the allegations contained in ¶ 120, including the definition of “Municipal Derivatives” contained in ¶ 120. UBS denies the term “Municipal Derivatives” is a term that is used in the industry to describe the different types of financial instruments and transactions identified in this paragraph. Solely for ease of reference, in this Answer UBS will use the term “Municipal Derivatives” as defined in the Complaint; no agreement or waiver by such use is intended.

121. UBS admits that public and non-profit entities may choose to invest bond proceeds in a variety of different circumstances and through a variety of types of financial transactions. The last sentence of ¶ 121 contains no factual allegations to which a response is required, and on that basis is denied. The remainder of the allegations in ¶ 121 are overly generalized and simplistic, and UBS therefore denies them.

122. UBS admits that a swap may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use swaps for a variety of purposes. The fourth sentence of ¶ 122 contains no factual allegations to which a response is required, and on that basis is denied. The remainder of the allegations in ¶ 122 are overly generalized and simplistic, and UBS therefore denies them.

123. UBS admits that a forward sales agreement may describe a range of different types of Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 123 are overly generalized and simplistic, and UBS therefore denies them.

124. UBS admits that a GIC may describe a range of different types of Municipal Derivative transactions with varying terms and features. UBS admits that certain insurance companies and investment banks are GIC providers, but denies that all insurance companies and investment banks provide GICs or that all GICs are provided by insurance companies and investment banks. The remainder of the allegations in ¶ 124 are overly generalized and simplistic, and UBS therefore denies them.

125. UBS admits that a Repurchase Agreement or “Collateralized GIC” may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 125 are overly generalized and simplistic, and UBS therefore denies them.

126. UBS admits that an unsecured or uncollateralized GIC may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 126 are overly generalized and simplistic, and UBS therefore denies them.

127. UBS admits that a forward agreement may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 127 are overly generalized and simplistic, and UBS therefore denies them.

128. UBS admits that public and non-profit entities may choose to issue bonds to refinance prior bond issuances in certain circumstances. UBS admits that an advanced

refunding escrow may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 128 are overly generalized and simplistic, and UBS therefore denies them.

129. Paragraph 129 contains no factual allegations to which a response is required, and on that basis is denied.

130. UBS admits that a swap may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 130 are overly generalized and simplistic, and UBS therefore denies them.

131. UBS admits that issuers of municipal bonds may use swaps for a variety of purposes. The remainder of the allegations in ¶ 131 are overly generalized and simplistic, and UBS therefore denies them.

132. UBS admits that a swap may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 132 are overly generalized and simplistic, and UBS therefore denies them.

133. UBS admits that issuers of municipal bonds may use swaps for a variety of purposes. The remainder of the allegations in ¶ 133 are overly generalized and simplistic, and UBS therefore denies them.

134. UBS admits a swap may have varying terms and features. The remainder of the allegations in ¶ 134 are overly generalized and simplistic, and UBS therefore denies them.

135. The allegations in ¶ 135 are overly generalized and simplistic, and UBS therefore denies them.

136. The allegations in ¶ 136 are overly generalized and simplistic, and UBS therefore denies them.

137. The allegations in ¶ 137 are overly generalized and simplistic, and UBS therefore denies them.

138. The allegations in ¶ 138 are overly generalized and simplistic, and UBS therefore denies them.

139. The allegations in ¶ 139 are overly generalized and simplistic, and UBS therefore denies them.

140. UBS denies the allegations in ¶ 140 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 140, and UBS therefore denies them.

141. UBS denies the allegations in ¶ 141 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 141 pertaining to other entities, and UBS therefore denies them.

142. UBS admits that an “interest rate floor agreement” may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use “interest rate floor agreements” for a variety of purposes. The remainder of the allegations in ¶ 142 are overly generalized and simplistic, and UBS therefore denies them.

143. UBS admits that an “interest rate ceiling agreement” may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use “interest rate ceiling agreements” for a variety of purposes.

The remainder of the allegations in ¶ 143 are overly generalized and simplistic, and UBS therefore denies them.

144. UBS admits that a “collar agreement” may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use “collar agreements” for a variety of purposes. The remainder of the allegations in ¶ 144 are overly generalized and simplistic, and UBS therefore denies them.

145. UBS admits that an “option” may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 145 are overly generalized and simplistic, and UBS therefore denies them.

146. UBS admits that a “swaption” may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 146 are overly generalized and simplistic, and UBS therefore denies them.

147. Paragraph 147 contains no factual allegations to which a response is required, and on that basis is denied.

148. UBS denies the allegations in ¶ 148 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 148 pertaining to other entities, and UBS therefore denies them.

149. UBS denies the allegations in ¶ 149 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 149 pertaining to other entities, and UBS therefore denies them.

150. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 150 regarding the purported statements of a confidential witness, and UBS therefore denies them. To the extent that any further response is required, UBS denies the remainder of the allegations in ¶ 150 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 150 pertaining to other entities, and UBS therefore denies them.

151. UBS lacks sufficient information or knowledge to form a belief as to the purported statements of a confidential witness, and UBS therefore denies them. To the extent that any further response is required, UBS denies the remainder of the allegations in ¶ 151 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 151 pertaining to other entities, and UBS therefore denies them.

152. The allegations in ¶ 152 are overly generalized and simplistic, and UBS therefore denies them.

153. UBS denies the allegations in ¶ 153 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 153 pertaining to other entities, and UBS therefore denies them.

154. UBS denies the allegations in ¶ 154 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 154 pertaining to other entities, and UBS therefore denies them.

155. UBS denies the allegations in ¶ 155 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 155 pertaining to other entities, and UBS therefore denies them.

156. UBS admits that in certain auctions for certain types of Municipal Derivatives products, a broker solicits written bids from certain Municipal Derivatives providers and that brokers evaluate the bids pursuant to certain criteria. The remainder of the allegations in ¶ 156 are overly generalized and simplistic, and UBS therefore denies them.

157. The allegations in ¶ 157 are overly generalized and simplistic, and UBS therefore denies them.

158. The IRS regulations to which this paragraph refers speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS admits that a competitive bidding process may be used in connection with certain types of Municipal Derivative products. UBS lacks sufficient information or knowledge to form a belief as to the remainder of the allegations in ¶ 158, and UBS therefore denies them.

159. The IRS regulations to which this paragraph refers speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS lacks sufficient information or knowledge to form a belief as to the remainder of the allegations in ¶ 159, and UBS therefore denies them.

160. UBS denies the allegations in ¶ 160 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 160 pertaining to other entities, and UBS therefore denies them.

161. The purported statement of Mr. Anderson referenced in ¶ 161 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 161 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 161 pertaining to other entities, and UBS therefore denies them.

162. UBS denies the allegations in ¶ 162 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 162 pertaining to other entities, and UBS therefore denies them.

163. UBS lacks sufficient information regarding the purported statements of CW's supervisor, and UBS therefore denies them. To the extent any further response is required, UBS denies the allegations in ¶ 163 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 163 pertaining to other entities, and UBS therefore denies them.

164. UBS denies the allegations in ¶ 164 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 164 pertaining to other entities, and UBS therefore denies them.

165. UBS denies the allegations in ¶ 165 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 165 pertaining to other entities, and UBS therefore denies them.

166. UBS denies the allegations in ¶ 166 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 166 pertaining to other entities, and UBS therefore denies them.

167. UBS denies the allegations in ¶ 167 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 167 pertaining to other entities, and UBS therefore denies them.

168. UBS denies the allegations in ¶ 168 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 168 pertaining to other entities, and UBS therefore denies them.

169. The allegations in ¶ 169 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 169 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 169 pertaining to other entities, and UBS therefore denies them.

170. UBS denies the allegations in ¶ 170 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 170 pertaining to other entities, and UBS therefore denies them.

171. UBS denies the allegations in ¶ 171 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge

to form a belief as to the truth of the allegations in ¶ 171 pertaining to other entities, and UBS therefore denies them.

172. UBS denies the allegations in ¶ 172 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 172 pertaining to other entities, and UBS therefore denies them.

173. The allegations in ¶ 173 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 173, and UBS therefore denies them.

174. The allegations in ¶ 174 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 174, and UBS therefore denies them.

175. The allegations in ¶ 175 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 175, and UBS therefore denies them.

176. The allegations in ¶ 176 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 176 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 176 pertaining to other entities, and UBS therefore denies them.

177. UBS denies the allegations in ¶ 177 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 177 pertaining to other entities, and UBS therefore denies them.

178. UBS denies the allegations in ¶ 178 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 178 pertaining to other entities, and UBS therefore denies them.

179. The allegations in ¶ 179 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 179, and UBS therefore denies them.

180. The allegations in ¶ 180 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 180, and UBS therefore denies them.

181. The allegations in ¶ 181 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 181, and UBS therefore denies them.

182. The allegations in ¶ 182 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 182, and UBS therefore denies them.

183. UBS denies the allegations in ¶ 183 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 183 pertaining to other entities, and UBS therefore denies them.

184. UBS denies the allegations in ¶ 184 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 184 pertaining to other entities, and UBS therefore denies them.

185. The allegations in ¶ 185 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 185, and UBS therefore denies them.

186. The allegations in ¶ 186 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 186, and UBS therefore denies them.

187. The allegations in ¶ 187 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 187, and UBS therefore denies them.

188. The allegations in ¶ 188 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 188, and UBS therefore denies them.

189. UBS denies the allegations in ¶ 189 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 189 pertaining to other entities, and UBS therefore denies them.

190. The allegations in ¶ 190 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 190, and UBS therefore denies them.

191. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 191, and UBS therefore denies them.

192. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations ¶ 192, and UBS therefore denies them.

193. UBS admits that certain types of swaps may be negotiated and that other types of swaps may be bid out through a competitive auction process. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 193.

Additionally, the last sentence of ¶ 193 contains purely speculative comments to which no response is required, and UBS therefore denies these allegations on that basis as well.

194. UBS denies the allegations in ¶ 194 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 194 pertaining to other entities, and UBS therefore denies them.

195. The IRS regulations to which this paragraph refers speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS denies the remainder of the allegations in ¶ 195 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 195 pertaining to other entities, and UBS therefore denies them.

196. UBS denies the allegations in ¶ 196 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 196 pertaining to other entities, and UBS therefore denies them.

197. The allegations in ¶ 197 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 197, and UBS therefore denies them.

198. The allegations in ¶ 198 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 198, and UBS therefore denies them.

199. The allegations in ¶ 199 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 199, and UBS therefore denies them.

200. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 200, and UBS therefore denies them.

201. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 201, and UBS therefore denies them.

202. The allegations in ¶ 202 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 202, and UBS therefore denies them.

203. The allegations in ¶ 203 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 203, and UBS therefore denies them.

204. The allegations in ¶ 204 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 204, and UBS therefore denies them.

205. UBS denies the allegations in ¶ 205 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 205 pertaining to other entities, and UBS therefore denies them.

206. The allegations in ¶ 206 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 206, and UBS therefore denies them.

207. The allegations in ¶ 207 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 207 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 207 pertaining to other entities, and UBS therefore denies them.

208. The allegations in ¶ 208 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 208, and UBS therefore denies them.

209. The allegations in ¶ 209 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 209, and UBS therefore denies them.

210. The allegations in ¶ 210 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 210, and UBS therefore denies them.

211. The allegations in the first sentence of ¶ 211 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 211, and UBS therefore denies them. The second sentence of ¶ 211 contains allegations that are overly generalized and simplistic, and UBS therefore denies them.

212. The allegations in ¶ 212 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 212, and UBS therefore denies them.

213. The allegations in ¶ 213 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 213, and UBS therefore denies them.

214. UBS denies the allegations in ¶ 214 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 214 pertaining to other entities, and UBS therefore denies them.

215. The allegations in ¶ 215 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 215, and UBS therefore denies them.

216. The allegations in ¶ 216 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 216, and UBS therefore denies them.

217. The allegations in ¶ 217 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 217, and UBS therefore denies them.

218. The allegations in ¶ 218 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 218, and UBS therefore denies them.

219. The allegations in ¶ 219 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 219, and UBS therefore denies them.

220. The allegations in ¶ 220 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 220, and UBS therefore denies them.

221. UBS denies the allegations in ¶ 221 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 221 pertaining to other entities, and UBS therefore denies them.

222. UBS denies the allegations in ¶ 222 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 222 pertaining to other entities, and UBS therefore denies them.

223. UBS denies the allegations in ¶ 223 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 223 pertaining to other entities, and UBS therefore denies them.

224. The allegations in ¶ 224 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 224 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 224 pertaining to other entities, and UBS therefore denies them.

225. The allegations in ¶ 225 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 225 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 225 pertaining to other entities, and UBS therefore denies them.

226. UBS denies the allegations in ¶ 226 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 226 pertaining to other entities, and UBS therefore denies them.

227. UBS denies the allegations in ¶ 227 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 227 pertaining to other entities, and UBS therefore denies them.

228. The allegations in ¶ 228 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 228, and UBS therefore denies them.

229. UBS denies the allegations in ¶ 229 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 229 pertaining to other entities, and UBS therefore denies them.

230. UBS lacks sufficient information or knowledge to form a belief as to the purported reactions of unidentified individual referenced in ¶ 230, and UBS therefore denies them. To the extent any further response is required, UBS denies the allegations in ¶ 230 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 230 pertaining to other entities, and UBS therefore denies them.

231. The allegations in ¶ 231 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 231, and UBS therefore denies them.

232. The allegations in ¶ 232 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 232 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 232 pertaining to other entities, and UBS therefore denies them.

233. UBS denies the allegations in ¶ 233 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 233 pertaining to other entities, and UBS therefore denies them.

234. The purported statement of Mr. Scott referenced in ¶ 234 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 234 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 234 pertaining to other entities, and UBS therefore denies them.

235. UBS denies the allegations in ¶ 235 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 235 pertaining to other entities, and UBS therefore denies them.

236. UBS denies the allegations in ¶ 236 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 236 pertaining to other entities, and UBS therefore denies them.

237. UBS denies the allegations in ¶ 237 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 237 pertaining to other entities, and UBS therefore denies them.

238. UBS denies the allegations in ¶ 238 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 238 pertaining to other entities, and UBS therefore denies them.

239. The allegations in ¶ 239 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 239, and UBS therefore denies them.

240. The allegations in ¶ 240 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 240, and UBS therefore denies them.

241. The allegations in ¶ 241 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 241, and UBS therefore denies them.

242. The allegations in ¶ 242 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 242, and UBS therefore denies them.

243. The allegations in ¶ 243 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 243, and UBS therefore denies them.

244. UBS denies the allegations in ¶ 244 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 244 pertaining to other entities, and UBS therefore denies them.

245. The allegations in ¶ 245 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 245, and UBS therefore denies them.

246. UBS denies the allegations in ¶ 246 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 246 pertaining to other entities, and UBS therefore denies them.

247. UBS denies the allegations in ¶ 247 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 247 pertaining to other entities, and UBS therefore denies them.

248. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS lacks sufficient information or knowledge as to the truth of the remainder of the allegations in ¶ 248, and UBS therefore denies them.

249. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS lacks sufficient information or knowledge to form a belief as to the remaining allegations in ¶ 249, and UBS therefore denies them.

250. The allegations in ¶ 250 are overly generalized and simplistic and UBS therefore denies them.

251. UBS denies the allegations in ¶ 251 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 251, and UBS therefore denies them.

252. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 252, and UBS therefore denies them.

253. UBS denies that it was involved in any collusive or otherwise illegal conduct. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations ¶ 253, and UBS therefore denies them.

254. UBS denies that it was involved in any collusive or otherwise illegal conduct. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations ¶ 254 and UBS therefore denies them

255. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations regarding the purported information provided by Bank of America referenced in ¶ 255, and UBS therefore denies these allegations. To the extent any further response is required, UBS denies the allegations in ¶ 255 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 255 pertaining to other entities, and UBS therefore denies them.

256. UBS denies the allegations in ¶ 256 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 256 pertaining to other entities, and UBS therefore denies them.

257. UBS states that the purported email referenced in ¶ 257 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 257 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 257 pertaining to other entities, and UBS therefore denies them.

258. UBS states that the purported email referenced in ¶ 258 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 258 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks

sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 258 pertaining to other entities, and UBS therefore denies them.

259. UBS admits that it acquired PaineWebber Inc. in or about 2000. UBS states that the purported email referenced in ¶ 259 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 259 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 259 pertaining to other entities, and UBS therefore denies them.

260. Paragraph 260 contains no factual allegations to which a response is required, and on that basis is denied.

261. UBS states that the purported email referenced in ¶ 261 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 261 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 261 pertaining to other entities, and UBS therefore denies them.

262. The allegations in ¶ 262 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 262, and UBS therefore denies them.

263. The purported statement of Mr. Anderson referenced in ¶ 263 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 263, and UBS therefore denies them.

264. The allegations in ¶ 264 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 264, and UBS therefore denies them.

265. The allegations in ¶ 265 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 265, and UBS therefore denies them.

266. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS further states that the email referenced in ¶ 266 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the remainder of the allegations ¶ 266

267. UBS states that the purported email referenced in ¶ 267 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 267 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 267 pertaining to other entities, and UBS therefore denies them.

268. UBS denies the allegations in ¶ 268 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 268 pertaining to other entities, and UBS therefore denies them.

269. UBS denies the allegations in ¶ 269 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge

to form a belief as to the truth of the allegations in ¶ 269 pertaining to other entities, and UBS therefore denies them.

270. UBS states that the purported email referenced in ¶ 270 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 270 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 270 pertaining to other entities, and UBS therefore denies them.

271. UBS admits that brokers may receive payments for work performed on certain types of Municipal Derivatives transactions in various amounts and on varying terms. The remainder of ¶ 271 does not contain factual allegations to which a response is required, and on that basis is denied. To the extent any further response is required, UBS denies the allegations in ¶ 271 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 271 pertaining to other entities, and UBS therefore denies them.

272. The allegations in ¶ 272 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 272 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 272 pertaining to other entities, and UBS therefore denies them.

273. The allegations in ¶ 273 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 273, and UBS therefore denies them.

274. UBS admits that some Defendants recorded phone calls and tracked email communications of their employees at times. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 274, and UBS therefore denies them.

275. UBS denies the allegations in ¶ 275 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 275 pertaining to other entities, and UBS therefore denies them.

276. UBS denies the allegations in ¶ 276 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 276 pertaining to other entities, and UBS therefore denies them.

277. UBS denies the allegations in ¶ 277 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 277 pertaining to other entities, and UBS therefore denies them.

278. Paragraph 278 contains no factual allegations to which a response is required, and on that basis is denied.

279. UBS denies the allegations in ¶ 279.

280. UBS denies the allegations in ¶ 280 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 280 pertaining to other entities, and UBS therefore denies them.

281. UBS denies the allegations in ¶ 281 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 281 pertaining to other entities, and UBS therefore denies them.

282. The allegations in ¶ 282 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 282, and UBS therefore denies them.

283. The allegations in ¶ 283 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 283, and UBS therefore denies them.

284. UBS denies the allegations in ¶ 284 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 284 pertaining to other entities, and UBS therefore denies them.

285. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 285, and UBS therefore denies them.

286. The allegations in ¶ 286 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 286, and UBS therefore denies them.

287. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 287, and UBS therefore denies them. UBS admits that a certain portion of the compensation received by employees during certain periods of time was in the form of bonuses awarded based on a range of different factors and considerations, but denies that there is anything inappropriate or illegal regarding this practice. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 287 pertaining to other entities, and UBS therefore denies them. UBS denies the remainder of the allegations in ¶ 287.

288. The allegations in ¶ 288 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 288, and UBS therefore denies them.

289. The allegations in ¶ 289 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 289, and UBS therefore denies them.

290. UBS denies the allegations in ¶ 290 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 290 pertaining to other entities, and UBS therefore denies them.

291. The allegations in ¶ 291 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 291, and UBS therefore denies them.

292. UBS denies the allegations in ¶ 292 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 292 pertaining to other entities, and UBS therefore denies them.

293. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 293, and UBS therefore denies them.

294. UBS denies the allegations in ¶ 294 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 294 pertaining to other entities, and UBS therefore denies them.

295. The allegations in ¶ 295 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 295, and UBS therefore denies them.

296. UBS denies that it was involved in any collusive or otherwise illegal activity. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 296, and UBS therefore denies them.

297. UBS denies the allegations in ¶ 297 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge

to form a belief as to the truth of the allegations in ¶ 297 pertaining to other entities, and UBS therefore denies them.

298. The allegations in ¶ 298 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 298, and UBS therefore denies them.

299. UBS admits that Peter Ghavami worked at JP Morgan before working at UBS and further admits that other individuals in the Municipal Derivatives business changed jobs at times. UBS denies that there is anything improper in changing jobs. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 299, and UBS therefore denies them.

300. The allegations contained in ¶ 300 are overly generalized and simplistic, and UBS therefore denies them.

301. UBS denies the allegations in ¶ 301 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 301, and UBS therefore denies them.

302. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 302, and UBS therefore denies them.

303. UBS admits the existence of SIFMA and that UBS was a member of SIFMA at various times. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 303 pertaining to other entities and individuals, and UBS therefore denies them.

304. UBS admits that SIFMA hosts certain conferences. The purported quote from the SIFMA website speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 304, and UBS therefore denies them.

305. UBS admits the existence of ISDA, that ISDA holds certain meetings, and that UBS was a member of ISDA at various times. The purported quote from the ISDA website speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 305, and UBS therefore denies them.

306. UBS admits the existence of the American Bankers Association and that UBS was a member of it at various times. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 306, and UBS therefore denies them.

307. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 307, and UBS therefore denies them.

308. The purported statement of Mr. Scott referenced in ¶ 308 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies the allegations in ¶ 308 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 308, and UBS therefore denies them.

309. The purported statement of Mr. Scott referenced in ¶ 309 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 309 to the extent they are intended to reference actions taken by or on

behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 309, and UBS therefore denies them.

310. UBS admits that the DOJ has announced an investigation relating to certain Municipal Derivatives products and that UBS has received document subpoenas from the DOJ. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 310, and UBS therefore denies them.

311. UBS denies the allegations in ¶ 311 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 311 pertaining to other entities, and UBS therefore denies them.

312. UBS denies the allegations in ¶ 312 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 312 pertaining to other entities, and UBS therefore denies them.

313. UBS denies the allegations in ¶ 313 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 313 pertaining to other entities, and UBS therefore denies them.

314. UBS denies the allegations in ¶ 314 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 314 pertaining to other entities, and UBS therefore denies them.

315. UBS denies the allegations in ¶ 315 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 315 pertaining to other entities, and UBS therefore denies them.

316. UBS denies the allegations in ¶ 316 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 316 pertaining to other entities, and UBS therefore denies them.

317. UBS denies the allegations in ¶ 317 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 317 pertaining to other entities, and UBS therefore denies them.

318. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations regarding the purported reactions of unidentified industry participants in ¶ 318, and UBS therefore denies them. UBS denies the remaining allegations in ¶ 318 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 318 pertaining to other entities, and UBS therefore denies them.

319. UBS denies the allegations in ¶ 319 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 319 pertaining to other entities, and UBS therefore denies them.

320. UBS denies the allegations in ¶ 320 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 320 pertaining to other entities, and UBS therefore denies them.

321. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 321, and UBS therefore denies them. UBS denies the allegations in the second sentence of ¶ 321 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the second sentence of ¶ 321 pertaining to other entities, and UBS therefore denies them.

322. The indictment referenced in ¶ 322 and its subparts speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 322 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 322 and its subparts pertaining to other entities, and UBS therefore denies them.

323. The indictment referenced in ¶ 323 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 323 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 323 pertaining to other entities, and UBS therefore denies them.

324. The indictment referenced in ¶ 324 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations

in ¶ 324 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 324 pertaining to other entities, and UBS therefore denies them.

325. The indictment referenced in ¶ 325 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 325 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 325 pertaining to other entities, and UBS therefore denies them.

326. The indictment referenced in ¶ 326 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 326 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 326 pertaining to other entities, and UBS therefore denies them.

327. The indictment referenced in ¶ 327 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 327 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 327 pertaining to other entities, and UBS therefore denies them.

328. The information from the indictment referenced in ¶ 328 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 328 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 328 pertaining to other entities, and UBS therefore denies them.

329. The indictment referenced in ¶ 329 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 329 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 329 pertaining to other entities, and UBS therefore denies them.

330. The information from the indictment referenced in ¶ 330 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 330 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 330 pertaining to other entities, and UBS therefore denies them.

331. The information from the indictment referenced in ¶ 331 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 331 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 331 pertaining to other entities, and UBS therefore denies them.

332. The information from the indictment referenced in ¶ 332 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 332 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 332 pertaining to other entities, and UBS therefore denies them.

333. The information from the indictment referenced in ¶ 333 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 333 to the extent they are intended to reference actions taken by or on

behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 333 pertaining to other entities, and UBS therefore denies them.

334. The information from the indictment referenced in ¶ 334 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 334 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 334 pertaining to other entities, and UBS therefore denies them.

335. The information from the indictment referenced in ¶ 335 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 335 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 335 pertaining to other entities, and UBS therefore denies them.

336. The information from the indictment referenced in ¶ 336 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 336 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 336 pertaining to other entities, and UBS therefore denies them.

337. The information from the indictment referenced in ¶ 337 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 337 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 337 pertaining to other entities, and UBS therefore denies them.

338. The information from the indictment referenced in ¶ 338 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 338 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 338 pertaining to other entities, and UBS therefore denies them.

339. The information from the indictment referenced in ¶ 339 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS states that the Bloomberg article referenced in ¶ 339 speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 339 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 339, and UBS therefore denies them.

340. The indictment referenced in ¶ 340 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 340 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 340 pertaining to other entities, and UBS therefore denies them.

341. The information from the indictment referenced in ¶ 341 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 341 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 341 pertaining to other entities, and UBS therefore denies them.

342. The information from the indictment referenced in ¶ 342 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 342 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 342 pertaining to other entities, and UBS therefore denies them.

343. The information from the indictment referenced in ¶ 343 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 343 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 343 pertaining to other entities, and UBS therefore denies them.

344. The information from the indictment referenced in ¶ 344 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 344 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 344 pertaining to other entities, and UBS therefore denies them.

345. The information from the indictment referenced in ¶ 345 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 345 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 345 pertaining to other entities, and UBS therefore denies them.

346. The information from the indictment referenced in ¶ 346 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 346 to the extent they are intended to reference actions taken by or on

behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 346 pertaining to other entities, and UBS therefore denies them.

347. The information from the indictment referenced in ¶ 347 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 347 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 347 pertaining to other entities, and UBS therefore denies them.

348. The information from the indictment referenced in ¶ 348 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS states that the Bloomberg article referenced in ¶ 348 speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 348 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 348, and UBS therefore denies them.

349. The information from the indictment referenced in ¶ 349 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 349 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 349 pertaining to other entities, and UBS therefore denies them.

350. The indictment referenced in ¶ 350 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 350 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS

lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 350 pertaining to other entities, and UBS therefore denies them.

351. The indictment referenced in ¶ 351 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 351 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 351 pertaining to other entities, and UBS therefore denies them.

352. The indictment referenced in ¶ 352 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 352 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 352 pertaining to other entities, and UBS therefore denies them.

353. The information from the indictment referenced in ¶ 353 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 353 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 353 pertaining to other entities, and UBS therefore denies them.

354. The information from the indictment referenced in ¶ 354 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 354 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 354 pertaining to other entities, and UBS therefore denies them.

355. The information from the indictment referenced in ¶ 355 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 355 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 355 pertaining to other entities, and UBS therefore denies them.

356. The information from the indictment referenced in ¶ 356 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 356 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 356 pertaining to other entities, and UBS therefore denies them.

357. The allegations in ¶ 357 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 357, and UBS therefore denies them.

358. The allegations in ¶ 358 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 358, and UBS therefore denies them.

359. The allegations in ¶ 359 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 359, and UBS therefore denies them.

360. The allegations in ¶ 360 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 360, and UBS therefore denies them.

361. The allegations in ¶ 361 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 361, and UBS therefore denies them.

362. The allegations in ¶ 362 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 362 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 362 pertaining to other entities, and UBS therefore denies them.

363. The allegations in ¶ 363 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 363, and UBS therefore denies them.

364. The allegations in ¶ 364 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 364 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 364 pertaining to other entities, and UBS therefore denies them.

365. The allegations in ¶ 365 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 365, and UBS therefore denies them.

366. UBS denies that it was involved in any collusive conduct or otherwise unlawful activity. To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 366, and UBS therefore denies them.

367. The allegations in ¶ 367 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 367 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 365 pertaining to other entities, and UBS therefore denies them.

368. UBS denies the allegations in ¶ 368 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 368 pertaining to other entities, and UBS therefore denies them.

369. The allegations in ¶ 369 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 369, and UBS therefore denies them.

370. UBS admits that it entered into a Municipal Derivatives transaction with the Puerto Rico Electric Power Authority on or about June 11, 2002 and that PackerKiss was the

broker on that transaction, but denies that it was involved in any collusive or otherwise illegal activity relating to this transaction (or any other transaction). UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 370, and UBS therefore denies them.

371. UBS admits that it entered into a Municipal Derivatives transaction with the State of Rhode Island and Providence Planatations on or about June 20, 2002, and that First Southwest served as the broker on the transaction. UBS further admits that on or about June 27, 2002, UBS entered into a transaction with Bank of America in which it transferred certain of its rights and obligations relating to the escrow transaction to Bank of America. UBS denies that it was involved in any collusive or otherwise illegal activity relating to this transaction (or any other transaction). UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 371, and UBS therefore denies them.

372. The allegations in ¶ 372 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 372, and UBS therefore denies them.

373. The allegations in ¶ 373 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 373, and UBS therefore denies them.

374. UBS admits that it served as broker on a Municipal Derivatives transaction for the Commonwealth of Massachusetts bid out on or about June 19, 20002 and that Wachovia was the winning bidder on the transaction, but denies that it was involved in any

collusive or otherwise illegal activity relating to this transaction (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 374, and UBS therefore denies them.

375. The allegations in ¶ 375 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 375, and UBS therefore denies them.

376. The allegations in ¶ 376 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 376, and UBS therefore denies them.

377. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 377 (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 377, and UBS therefore denies them.

378. The allegations in ¶ 378 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 378 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 378 pertaining to other entities, and UBS therefore denies them.

379. The allegations in ¶ 379 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 379, and UBS therefore denies them.

380. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 380, and UBS therefore denies them.

381. UBS denies the allegations in ¶ 381 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 381 pertaining to other entities, and UBS therefore denies them.

382. UBS denies the allegations in ¶ 382 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 382 pertaining to other entities, and UBS therefore denies them.

383. UBS states that the IRS regulations referenced in ¶ 383 speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS states that the purported statement by Mr. Scott referenced in the last sentence of ¶ 383 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 383, including the purported definition of a “courtesy bid.”

384. UBS states that the purported statement by Mr. Scott referenced in ¶ 384 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies the allegations contained in ¶ 384.

385. UBS states that the purported statement by Mr. Scott referenced in ¶ 385 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies the allegations contained in ¶ 385.

386. UBS states that the IRS regulations referenced in ¶ 386 speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS denies the remainder of the allegations in ¶ 386.

387. The allegations contained in ¶ 387 are overly generalized and simplistic, and UBS therefore denies them.

388. UBS denies the allegations contained in the first sentence of ¶ 388. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 388, and UBS therefore denies them.

389. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 389, and UBS therefore denies them.

390. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 390, and UBS therefore denies them.

391. The allegations in ¶ 391 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 391, and UBS therefore denies them.

392. The allegations in ¶ 392 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 392, and UBS therefore denies them.

393. The allegations in ¶ 393 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 393, and UBS therefore denies them.

394. The allegations in ¶ 394 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 394 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 394, and UBS therefore denies them.

395. The allegations in ¶ 395 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 395, and UBS therefore denies them.

396. The allegations in ¶ 396 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 396, and UBS therefore denies them.

397. The allegations in ¶ 397 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 397, and UBS therefore denies them.

398. The allegations in ¶ 398 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 398, and UBS therefore denies them

399. The allegations in ¶ 399 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 399, and UBS therefore denies them.

400. The allegations in ¶ 400 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 400, and UBS therefore denies them.

401. The allegations in ¶ 401 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 401, and UBS therefore denies them.

402. The allegations in ¶ 402 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 402, and UBS therefore denies them.

403. The allegations in ¶ 403 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 403, and UBS therefore denies them.

404. The allegations in ¶ 404 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 404, and UBS therefore denies them.

405. UBS denies the allegations in ¶ 405 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 405, and UBS therefore denies them.

406. The allegations in ¶ 406 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 406, and UBS therefore denies them.

407. The allegations in ¶ 407 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 407, and UBS therefore denies them.

408. The allegations in ¶ 408 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 408, and UBS therefore denies them.

409. The allegations in ¶ 409 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 409, and UBS therefore denies them.

410. The allegations in ¶ 410 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 410, and UBS therefore denies them.

411. The allegations in ¶ 411 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 411, and UBS therefore denies them.

412. The allegations in ¶ 412 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 412, and UBS therefore denies them.

413. The allegations in ¶ 413 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 413, and UBS therefore denies them.

414. The allegations in ¶ 414 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 414, and UBS therefore denies them.

415. The allegations in ¶ 415 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 415, and UBS therefore denies them.

416. The allegations in ¶ 416 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 416, and UBS therefore denies them.

417. The allegations in ¶ 417 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 417, and UBS therefore denies them.

418. The allegations in ¶ 418 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 418, and UBS therefore denies them.

419. The allegations in ¶ 419 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 419, and UBS therefore denies them.

420. The allegations in ¶ 420 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 420, and UBS therefore denies them.

421. The allegations in ¶ 421 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 421 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks

sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 421, and UBS therefore denies them.

422. The allegations in ¶ 422 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 422, and UBS therefore denies them.

423. The allegations in ¶ 423 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 423, and UBS therefore denies them.

424. The allegations in ¶ 424 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 424, and UBS therefore denies them.

425. The allegations in ¶ 425 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 425, and UBS therefore denies them.

426. The allegations in ¶ 426 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 426, and UBS therefore denies them.

427. The allegations in ¶ 427 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 427, and UBS therefore denies them.

428. The allegations in ¶ 428 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 428, and UBS therefore denies them.

429. The allegations in ¶ 429 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 429, and UBS therefore denies them.

430. The allegations in ¶ 430 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 430, and UBS therefore denies them.

431. The allegations in ¶ 431 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 431, and UBS therefore denies them.

432. The allegations in ¶ 432 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 432, and UBS therefore denies them.

433. The allegations in ¶ 433 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 433, and UBS therefore denies them.

434. The allegations in ¶ 434 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 434, and UBS therefore denies them.

435. The allegations in ¶ 435 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, the IRS regulations referenced in ¶ 435 speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 435, and UBS therefore denies them.

436. The allegations in ¶ 436 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 436, and UBS therefore denies them.

437. The allegations in ¶ 437 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 437, and UBS therefore denies them.

438. The allegations in ¶ 438 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 438, and UBS therefore denies them.

439. The allegations in ¶ 439 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 439, and UBS therefore denies them.

440. The allegations in ¶ 440 are not directed toward UBS, and no response by UBS is therefore required. To the extent a further response is required, UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. This Letter speaks for itself and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 440, and UBS therefore denies them.

441. The allegations in ¶ 441 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 441, and UBS therefore denies them.

442. The allegations in ¶ 442 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 442, and UBS therefore denies them.

443. The allegations in ¶ 443 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 443, and UBS therefore denies them.

444. The allegations in ¶ 444 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 444, and UBS therefore denies them.

445. The allegations in ¶ 445 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 445, and UBS therefore denies them.

446. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 446, and UBS therefore denies them.

447. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 447, and UBS therefore denies them.

448. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 448, and UBS therefore denies them.

449. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 449, and UBS therefore denies them.

450. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 450, and UBS therefore denies them.

451. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 451 (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 451, and UBS therefore denies them.

452. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 452, and UBS therefore denies them.

453. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 453 (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 453, and UBS therefore denies them.

454. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 454, and UBS therefore denies them.

455. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 455, and UBS therefore denies them.

456. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 456, and UBS therefore denies them.

457. UBS denies the allegations in ¶ 457 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 457 pertaining to other entities or to an undisclosed “analysis,” and UBS therefore denies them.

458. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 458, and UBS therefore denies them.

459. The allegations in ¶ 459 regarding the valuation of the swap referenced in ¶ 459 are overly generalized and simplistic, and UBS therefore denies them. Additionally, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 459, including those relating to an undisclosed “analysis,” and UBS therefore denies them on that basis as well.

460. The allegations in ¶ 460 regarding the valuation of the swap referenced in ¶ 460 are overly generalized and simplistic, and UBS therefore denies them. Additionally, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 460, including those relating to an undisclosed “analysis,” and UBS therefore denies them on that basis as well.

461. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 461 (or any other transaction). The allegations in ¶ 461 regarding the valuation of the swap referenced in ¶ 461 are overly generalized and simplistic, and UBS therefore also denies them. Additionally, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 461, and UBS therefore denies them.

462. The allegations in ¶ 462 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 462, and UBS therefore denies them.

463. The allegations in ¶ 463 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 463, and UBS therefore denies them.

464. The allegations in ¶ 464 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 464, and UBS therefore denies them.

465. The allegations in ¶ 465 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 465, and UBS therefore denies them.

466. The allegations in ¶ 466 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 466, and UBS therefore denies them.

467. The allegations in ¶ 467 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 467, and UBS therefore denies them.

468. The allegations in ¶ 468 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 468, and UBS therefore denies them.

469. The allegations in ¶ 469 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 469, and UBS therefore denies them.

470. The allegations in ¶ 470 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 470 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 470 pertaining to other entities, and UBS therefore denies them.

471. The allegations in ¶ 471 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 471, and UBS therefore denies them.

472. The allegations in ¶ 472 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 472, and UBS therefore denies them.

473. The allegations in ¶ 473 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 473 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 473 pertaining to other entities, and UBS therefore denies them.

474. The allegations in ¶ 474 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, the purported statements by Baum and IRS officials referenced in ¶ 474 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 474, and UBS therefore denies them.

475. The allegations in ¶ 475 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 475 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 475 pertaining to other entities, and UBS therefore denies them.

476. UBS denies the allegations in ¶ 476 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 476 pertaining to other entities, and UBS therefore denies them.

477. The allegations in ¶ 477 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, the purported statement by Mr. Anderson speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 477, and UBS therefore denies them.

478. The allegations in ¶ 478 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 478 to the extent they are intended to reference actions taken by or on behalf of

UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 478 pertaining to other entities, and UBS therefore denies them.

479. The allegations in ¶ 479 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 479, and UBS therefore denies them.

480. The allegations in ¶ 480 and its subparts are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the purported settlement with the IRS referenced in ¶ 480 and its subparts speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 480 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 480 and its subparts pertaining to other entities, and UBS therefore denies them.

481. The allegations in ¶ 481 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 481, and UBS therefore denies them.

482. The allegations in ¶ 482 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 482, and UBS therefore denies them.

483. The allegations in ¶ 483 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 483, and UBS therefore denies them.

484. The allegations in ¶ 484 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 484, and UBS therefore denies them.

485. The allegations in ¶ 485 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 485, and UBS therefore denies them.

486. The allegations in ¶ 486 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 486 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 486, and UBS therefore denies them.

487. The allegations in ¶ 487 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 487 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 487, and UBS therefore denies them.

488. The allegations in ¶ 488 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 488 speak for themselves, and UBS denies any

characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 488, and UBS therefore denies them.

489. The allegations in ¶ 489 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 489, and UBS therefore denies them.

490. The allegations in ¶ 490 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 490, and UBS therefore denies them.

491. The allegations in ¶ 491 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 491 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 491, and UBS therefore denies them.

492. The allegations in ¶ 492 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 492 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 492, and UBS therefore denies them.

493. The allegations in ¶ 493 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 493 speak for themselves, and UBS denies any

characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 493, and UBS therefore denies them.

494. The allegations in ¶ 494 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the purported statement by Mr. Khuzami referenced in ¶ 494 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 494, and UBS therefore denies them.

495. The allegations in ¶ 495 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the purported statement of Mr. Taylor quoted from the Bloomberg article referenced in ¶ 495 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 495, and UBS therefore denies them.

496. The allegations in ¶ 496 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that Mr. MacFaddin's FINRA filings referenced in ¶ 496 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 496, and UBS therefore denies them.

497. The allegations in ¶ 497 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 497, and UBS therefore denies them.

498. The allegations in ¶ 498 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 498, and UBS therefore denies them.

499. UBS denies the allegations in ¶ 499 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 499 pertaining to other entities, and UBS therefore denies them.

500. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 500, and UBS therefore denies them.

501. UBS denies the allegations in ¶ 501 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 501 pertaining to other entities, and UBS therefore denies them.

502. UBS denies the allegations in ¶ 502 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 502, and UBS therefore denies them.

503. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 503, and UBS therefore denies them.

504. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 504, and UBS therefore denies them.

505. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 505, and UBS therefore denies them.

506. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 506, and UBS therefore denies them.

507. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 507, and UBS therefore denies them.

508. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 508, and UBS therefore denies them.

509. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 509, and UBS therefore denies them.

510. UBS denies the allegations in ¶ 510 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 510 pertaining to other entities, and UBS therefore denies them.

511. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 511 pertaining to other entities, and UBS therefore denies them.

512. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 512, and UBS therefore denies them.

513. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 513, and UBS therefore denies them.

514. UBS denies that it was involved in any collusive or otherwise illegal activity. To the extent that any further response is required, UBS lacks sufficient information or

knowledge to form a belief as to the truth of the allegations in ¶ 514, and UBS therefore denies them.

515. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 515, and UBS therefore denies them.

516. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 516, and UBS therefore denies them.

517. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 517, and UBS therefore denies them.

518. UBS admits that the DOJ is conducting an investigation relating to certain Municipal Derivatives products, and that UBS has received document subpoenas from the DOJ relating to this investigation. The purported statement of Ms Bloomquist referenced in ¶ 518 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 518, and UBS therefore denies them.

519. UBS admits that there are investigations by the DOJ, the SEC, and the IRS relating to certain Municipal Derivatives products. UBS further states that the purported statement of Charles Anderson referenced in ¶ 519 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 519, and UBS therefore denies them.

520. UBS admits it has received document subpoenas from the DOJ relating to its investigation of certain municipal derivatives products. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 520 pertaining to other entities, and UBS therefore denies them.

521. The subpoenas referenced in ¶ 521 speak for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 521.

522. UBS denies the allegations in ¶ 522 to the extent they are intended to reference actions taken by or on behalf of UBS. The purported SEC and FINRA filings referenced in ¶ 522 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 522, and UBS therefore denies them.

523. UBS admits that there are investigations by the DOJ relating to certain Municipal Derivatives products. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 523, and UBS therefore denies them.

524. The purported statements by Mr. Blumenthal speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 524, and UBS therefore denies them.

525. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any characterization of it.

526. UBS denies that it has engaged in any collusive or otherwise illegal activity. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any

characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 526, and UBS therefore denies them.

527. The leniency program referenced in ¶ 527 speaks for itself, and UBS refers to the provisions of that program and denies any allegations inconsistent therewith.

528. The subpoenas referenced in ¶ 528 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 528, and UBS therefore denies them.

529. The sections of the Antitrust Division Manual referenced in ¶ 529 speak for themselves, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 529.

530. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 530.

531. UBS denies the allegations in ¶ 531 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 531 pertaining to other entities, and UBS therefore denies them.

532. UBS admits that the DOJ has made additional requests for documents to UBS subsequent to its initial subpoena. UBS denies that a receipt of a request for documents from DOJ is suggestive of wrongful or improper conduct, much less the existence of a conspiracy. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 532, and UBS therefore denies them.

533. The DOJ policy referenced in ¶ 533 speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 533 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 533 pertaining to other entities, and UBS therefore denies them.

534. The Bond Buyer article referenced in ¶ 534 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies all remaining allegations in ¶ 534 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 534, and UBS therefore denies them.

535. UBS admits that it has received a Wells Notice with regards to the SEC's investigation of certain Municipal Derivatives products. The Wells Notice speaks for itself and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 535 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 535 pertaining to other entities, and UBS therefore denies them.

536. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. The Letter speaks for itself and UBS denies any characterization of it. The SEC filing reference in ¶ 536 speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 536.

537. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 537, and UBS therefore denies them.

538. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 538, and UBS therefore denies them.

539. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 539, and UBS therefore denies them.

540. UBS admits that an indictment was returned against CDR and three former employees of CDR on or about October 29, 2009, but denies any characterization of that document as the indictment speaks for itself. To the extent any further response is required, UBS denies the allegations in ¶ 540 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 540 pertaining to other entities, and UBS therefore denies them.

541. The indictment referenced in ¶ 541 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 541 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 541 pertaining to other entities, and UBS therefore denies them.

542. The indictment referenced in ¶ 542 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 542 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 542 pertaining to other entities, and UBS therefore denies them.

543. The indictment referenced in ¶ 543 speaks for itself and UBS denies any characterization of it.

544. The indictment referenced in ¶ 544 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 544, and UBS therefore denies them.

545. The indictment referenced in ¶ 545 speaks for itself and UBS denies any characterization of it.

546. The Bond Buyer article referenced in ¶ 546 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 546, and UBS therefore denies them.

547. The indictment referenced in ¶ 547 speaks for itself and UBS denies any characterization of it.

548. The indictment referenced in ¶ 548 speaks for itself and UBS denies any characterization of it.

549. UBS denies that it was involved in any collusive or otherwise illegal activity and denies the allegations of Paragraph 549 to the extent they are directed towards UBS. The Bloomberg article referenced in ¶ 549 speaks for itself, and UBS denies any characterization of it.

550. The indictment referenced in ¶ 550 and its subparts speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 550 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 550 and its subparts pertaining to other entities, and UBS therefore denies them.

551. The indictment referenced in ¶ 551 and its subparts speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 551 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 551 and its subparts pertaining to other entities, and UBS therefore denies them.

552. The indictment referenced in ¶ 552 and its subparts speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 552 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 552 and its subparts pertaining to other entities, and UBS therefore denies them.

553. The indictment referenced in ¶ 553 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 553 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 553 pertaining to other entities, and UBS therefore denies them.

554. The indictment referenced in ¶ 554 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 554 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 554 pertaining to other entities, and UBS therefore denies them.

555. The indictment referenced in ¶ 555 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 555 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 555 pertaining to other entities, and UBS therefore denies them.

556. The indictment referenced in ¶ 556 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 556 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 556 pertaining to other entities, and UBS therefore denies them.

557. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 557 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 557 and UBS therefore denies them.

558. UBS denies the allegations in ¶ 558 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 558 pertaining to other entities, and UBS therefore denies them.

559. The purported publicly available information referenced in ¶ 559 speaks for itself, and UBS denies any characterization of it. UBS denies that it was involved in any

collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 559, and UBS therefore denies them.

560. UBS states that its Fourth Quarter 2006 Report referenced in ¶ 560 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of any remaining allegations in ¶ 560, and UBS therefore denies them.

561. UBS admits that Mr. Ghavami was an employee at UBS from on or about April 1999 until on or about January 2008. UBS states that Mr. Ghavami's FINRA report referenced in ¶ 561 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of any remaining allegations in ¶ 561, and UBS therefore denies them.

562. UBS admits that it received a Wells notice on or about February 4, 2008. The Wells Notice speaks for itself, and UBS denies any characterization of it. UBS denies any remaining allegations in ¶ 562.

563. UBS states that the public filings of JP Morgan purportedly referenced in ¶ 563 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 563, and UBS therefore denies them.

564. UBS states that the public filings of JP Morgan purportedly referenced in ¶ 564 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 564, and UBS therefore denies them.

565. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 565, and UBS therefore denies them.

566. UBS states that the FINRA reports purportedly referenced in ¶ 566 and its subparts speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 566 and its subparts, and UBS therefore denies them.

567. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 567, and UBS therefore denies them.

568. UBS states that the FINRA report purportedly referenced in ¶ 568 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 568, and UBS therefore denies them.

569. UBS states that the FINRA report purportedly referenced in ¶ 569 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 569, and UBS therefore denies them.

570. UBS states that the FINRA report purportedly referenced in ¶ 570 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 570, and UBS therefore denies them.

571. UBS states that the public filings of Bear Stearns purportedly referenced in ¶ 571 speak for themselves, and UBS denies any characterization of them. UBS lacks

sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 571, and UBS therefore denies them.

572. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 572, and UBS therefore denies them.

573. UBS states that the public filings of Bear Stearns purportedly referenced in ¶ 573 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 573, and UBS therefore denies them.

574. UBS states that the public filings of Piper Jaffrey purportedly referenced in ¶ 574 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 574, and UBS therefore denies them.

575. UBS states that the FINRA report purportedly referenced in ¶ 575 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 575, and UBS therefore denies them.

576. UBS states that the public filing of Wachovia purportedly referenced in ¶ 576 speaks for itself, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 576, and UBS therefore denies them.

577. UBS states that the FINRA report purportedly referenced in ¶ 577 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or

knowledge to form a belief as to the truth of the remaining allegations in ¶ 577, and UBS therefore denies them.

578. UBS states that the public filing of Wachovia purportedly referenced in ¶ 578 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 578, and UBS therefore denies them.

579. UBS states that the public filing of Wells Fargo purportedly referenced in ¶ 579 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 579, and UBS therefore denies them.

580. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 580, and UBS therefore denies them.

581. UBS states that the public filing of FSA Holdings purportedly referenced in ¶ 581 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 581, and UBS therefore denies them.

582. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 582, and UBS therefore denies them.

583. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 583, and UBS therefore denies them.

584. UBS states that the public filing of CDC purportedly referenced in ¶ 584 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or

knowledge to form a belief as to the truth of the remaining allegations in ¶ 584, and UBS therefore denies them.

585. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

586. UBS denies the allegations in ¶ 586 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 586 pertaining to other entities, and UBS therefore denies them.

587. UBS denies the allegations contained in the first, second, fourth and fifth sentences of ¶ 587. The third sentence of ¶ 587 contains legal conclusions to which no response is required, and on that basis is denied. The Bond Buyer article referenced in the sixth sentence of ¶ 587 speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 587.

588. UBS states that the publicly available information referenced in ¶ 588 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations of ¶ 588, and UBS therefore denies them.

589. UBS states that the IRS regulations referenced in the first sentence of ¶ 589 speak for themselves, and UBS refers to these regulations and denies any allegations inconsistent therewith. UBS denies the remainder of the allegations in ¶ 589 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 589 related to other entities, and UBS therefore denies them.

590. The allegations in ¶ 590 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 590, and UBS therefore denies them.

591. The Bond Buyer and Bloomberg articles referenced in ¶ 591 speak for themselves, and UBS denies any characterization of them. UBS denies the remainder of the allegations in ¶ 591 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 591 related to other entities, and UBS therefore denies them.

592. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 592, and UBS therefore denies them. UBS admits that some issuers of Municipal Derivatives used bid forms with language similar to the language described in the second sentence of ¶ 592 when soliciting bids for certain types of Municipal Derivatives products. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 592, and UBS therefore denies them.

593. UBS denies the allegations in the first sentence of ¶ 593 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 593 related to other entities, and UBS therefore denies them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 593, and UBS therefore denies them.

594. UBS denies the allegations in ¶ 594 and its subparts to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to

the truth of the allegations in ¶ 594 and its subparts pertaining to other entities, and UBS therefore denies them.

595. UBS denies the allegations in ¶ 595 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 595 pertaining to other entities, and UBS therefore denies them.

596. UBS denies the allegations in ¶ 596 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 596 pertaining to other entities, and UBS therefore denies them.

597. UBS denies the allegations in ¶ 597 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 597 pertaining to other entities, and UBS therefore denies them.

598. UBS denies the allegations in the first sentence of ¶ 598 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 598 pertaining to other entities, and UBS therefore denies them. The Bond Buyer and Bloomberg articles referenced in the second, third and fourth sentences of ¶ 598 speak for themselves, and UBS denies any characterization of them. The final sentence of ¶ 598 contains legal conclusions to which no response is required, and on that basis is denied.

599. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 599, and UBS therefore denies them.

600. Paragraph 600 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations in ¶ 600 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 600 pertaining to other entities, and UBS therefore denies them.

601. UBS states that public filings of Bank America purportedly referenced in ¶ 601 and the CDR indictment speak for themselves, and UBS denies any characterization of them. UBS denies all remaining allegations in ¶ 601. UBS denies the remainder of the allegations in ¶ 601 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 601 pertaining to other entities, and UBS therefore denies them.

602. UBS admits that Peter Ghavami left UBS on or about January 2008. UBS admits that Mark Zaino left UBS on or about December 2006. UBS denies the remainder of the allegations in ¶ 602 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 602 pertaining to other entities and individuals, and UBS therefore denies them. UBS denies all remaining allegations in ¶ 602.

603. UBS denies the allegations in ¶ 603 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 603 pertaining to other entities, and UBS therefore denies them.

604. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 604 pertaining to other entities, and UBS therefore denies them. The second sentence of ¶ 604 contains legal conclusions to which no response is required and on that basis is denied. To the extent any further response is required, UBS denies the allegations in the second sentence ¶ 604 to the extent they are intended to

reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the second sentence ¶ 604 pertaining to other entities, and UBS therefore denies them.

605. Paragraph 605 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 605 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 605 pertaining to Plaintiffs and other entities, and UBS therefore denies them.

606. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

607. Paragraph 607 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 607 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 607 pertaining to other entities, and UBS therefore denies them.

608. Paragraph 608 and its subparts contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 608 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 608 and its subparts pertaining to other entities, and UBS therefore denies them.

609. Paragraph 609 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS

denies the allegations in ¶ 609 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 609 pertaining to other entities, and UBS therefore denies them.

610. Paragraph 610 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 610 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 610 pertaining to other entities, and UBS therefore denies them.

611. Paragraph 611 contains legal statements to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 611 pertaining to other entities, and UBS therefore denies them.

612. Paragraph 612 contains legal statements to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 612 pertaining to other entities, and UBS therefore denies them.

613. Paragraph 613 contains legal statements to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 613 pertaining to other entities, and UBS therefore denies them.

614. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

615. Paragraph 615 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 615 pertaining to other entities, and UBS therefore denies them.

616. Paragraph 616 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 616 pertaining to other entities, and UBS therefore denies them.

617. Paragraph 617 and its subparts contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 617 and its subparts pertaining to other entities, and UBS therefore denies them.

618. UBS denies the allegations in ¶ 618 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 618 and its subparts pertaining to other entities, and UBS therefore denies them.

619. Paragraph 619 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are

intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 619 pertaining to other entities, and UBS therefore denies them.

620. UBS admits that Plaintiffs seek to recover treble damages and the cost of this suit. To the extent that any further response is required, these allegations are denied.

621. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

622. Paragraph 622 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 622 pertaining to other entities, and UBS therefore denies them.

623. Paragraph 623 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 623 pertaining to other entities, and UBS therefore denies them.

624. Paragraph 624 and its subparts contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 624 and its subparts pertaining to other entities, and UBS therefore denies them.

625. UBS denies the allegations in ¶ 625 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 625 and its subparts pertaining to other entities, and UBS therefore denies them.

626. Paragraph 626 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 626 pertaining to other entities, and UBS therefore denies them.

627. Paragraph 627 contains legal conclusions to which no response is required. To the extent a response is required, UBS admits that Plaintiffs seek to recover attorneys' fees. UBS denies all remaining allegations in ¶ 627.

628. UBS denies the allegations contained in ¶ 628.

629. UBS admits that Plaintiffs request judgment in its favor. UBS denies all remaining allegations in ¶ 629.

UBS further states that to the extent that any allegation which is asserted in the Complaint (including headings, and the "Prayer for Relief") is not specifically admitted herein, such allegation is hereby expressly denied.

AFFIRMATIVE DEFENSES

UBS sets forth below its affirmative defenses. By setting forth these affirmative defenses, UBS does not assume the burden of proof for any issue, fact or element of a claim as to which applicable law places the burden on Plaintiffs.

FIRST AFFIRMATIVE DEFENSE

The Complaint, in whole or in part, fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, by the applicable statute of limitations.

THIRD AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, by the equitable doctrines of laches, estoppel, waiver and unclean hands.

FOURTH AFFIRMATIVE DEFENSE

The Complaint fails to plead the circumstances constituting fraudulent concealment with the particularity required by Rule 9(b) of the Federal Rules of Civil Procedure.

FIFTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, by Plaintiffs' lack of standing.

SIXTH AFFIRMATIVE DEFENSE

To the extent that UBS is considered a co-conspirator in any antitrust conspiracy alleged by Plaintiffs, UBS withdrew from any such conspiracy.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, for failing to mitigate damages.

EIGHTH AFFIRMATIVE DEFENSE

Plaintiffs' claims and any damages, to the extent any exist, are barred, in whole or in part, by the federal statutes and regulations, and enforcement thereof, governing the investment of the proceeds of tax-exempt bonds.

NINTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, because Plaintiffs have not suffered injury in fact.

TENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, because Plaintiffs have suffered no antitrust injury as the result of the alleged conduct because, among other reasons, they had no right to earn arbitrage on any investment of the proceeds from the issuance of tax-exempt bonds.

ELEVENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, because its alleged damages, if any, are too remote and/or speculative to allow recovery.

TWELFTH AFFIRMATIVE DEFENSE

Any injury or damage to Plaintiffs, to the extent that any exist, was caused, in whole or in part, by the conduct of third parties for whom UBS was not responsible.

THIRTEENTH AFFIRMATIVE DEFENSE

To the extent that Plaintiffs are deemed to have participated in the alleged anticompetitive scheme and/or misconduct, their claims are barred.

FOURTEENTH AFFIRMATIVE DEFENSE

The Complaint concerns conduct expressly or impliedly immune from the antitrust laws.

FIFTEENTH AFFIRMATIVE DEFENSE

Some of Plaintiffs' claims may be subject to forum-selection clauses.

SIXTEENTH AFFIRMATIVE DEFENSE

Plaintiffs have failed to allege facts sufficient to support a claim for attorneys' fees or costs.

SEVENTEENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred, in whole or in part, to the extent that any of the events alleged took place outside the state of California without impact on California residents.

EIGHTEENTH AFFIRMATIVE DEFENSE

Plaintiffs lack standing to prosecute their state antitrust claims, in whole or in part, under Cal. Bus. & Prof. Code §§ 16700, *et seq.*

NINETEENTH AFFIRMATIVE DEFENSE

Plaintiffs' cause of action for alleged violations of Cal. Bus. & Prof. Code §§ 16700, *et seq.* is barred, in whole or in part, because those statutes are inapplicable to alleged wrongs suffered by non-California residents based on alleged conduct of UBS occurring outside of California.

TWENTIETH AFFIRMATIVE DEFENSE

Any award of treble damages, punitive damages and/or restitution pursuant to Cal. Bus. & Prof. Code §§ 16700, *et seq.*, would violate the Excessive Fines and Due Process Clauses of the United States and California Constitutions.

TWENTY-FIRST AFFIRMATIVE DEFENSE

Plaintiffs' claims for attorneys' fees are barred by Cal. Code Civ. Proc. § 1021.

TWENTY-SECOND AFFIRMATIVE DEFENSE

UBS adopts by reference all other applicable defenses asserted by all other parties.

TWENTY-THIRD AFFIRMATIVE DEFENSE

UBS hereby gives notice that it intends to rely upon such other defenses as may become available or appear during discovery proceedings in this case and hereby reserves the right to amend its Answer to assert any such defense.

JURY TRIAL DEMAND

UBS demands a trial by jury of all issues triable by a jury.

PRAYER FOR RELIEF

WHEREFORE, UBS prays as follows:

1. That this action be dismissed with prejudice and that Plaintiffs take nothing by its Complaint;
2. That judgment be entered in favor of UBS and against Plaintiffs with respect to the causes of action asserted in the Complaint;
3. That the Court award UBS reasonable costs and expenses including, but not limited to, attorneys' fees and costs of suit; and
4. That the Court award such other relief as may be appropriate.

Dated: June 28, 2010

By: /s/ Christopher N. Manning

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*Counsel for UBS AG, UBS Financial
Services, Inc., and UBS Securities LLC*

CERTIFICATE OF SERVICE

I, Jesse T. Smallwood, hereby certify that on June 28, 2010, I caused the attached *UBS AG's, UBS Financial Services, Inc.'s, and UBS Securities LLC's Answer to the Redevelopment Agency of the City of Stockton, the Public Financing Authority of the City of Stockton's First Amended Complaint* to be served upon the attorney of record for each party by transmission through the Court's electronic filing system.

/s/ Jesse T. Smallwood
Jesse T. Smallwood